

HOUSE BILL REPORT

ESHB 2474

As Amended by the Senate

Title: An act relating to transportation funding and appropriations.

Brief Description: Making supplemental transportation appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by Representative Murray; by request of Governor Locke).

Brief History:

Committee Activity:

Transportation: 1/20/04, 2/25/04 [DPS].

Floor Activity:

Passed House: 2/27/04, 85-10.

Senate Amended.

Passed Senate: 3/2/04, 38-9.

Brief Summary of Engrossed Substitute Bill

- Makes adjustments to the 2003-05 biennial transportation budget.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Murray, Chair; Rockefeller, Vice Chair; G. Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Armstrong, Bailey, Campbell, Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Kristiansen, Lovick, Morris, Nixon, Rodne, Romero, Schindler, Shabro, Wallace, Wood and Woods.

Minority Report: Do not pass. Signed by 1 member: Representative Mielke.

Staff: Gary Lebow (786-7304), Jerry Long (786-7306).

Background:

The transportation budget provides biennial appropriations to the major transportation agencies: Department of Transportation, Washington Traffic Safety Commission, County Road Administration Board, Transportation Improvement Board, Washington State Patrol and Department of Licensing. The budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary of Engrossed Substitute Bill:

Background

The 2003 legislative session implemented a number of changes to improve the accountability, efficiency, and oversight of our state's transportation system and the associated agencies. The enacted 2003-05 biennium Transportation Budget built upon that foundation with targeted funding of specific activities and through linking new revenue with specific projects to be delivered.

Recent Developments

Since the completion of the 2003 legislative session, the courts rendered a decision on Initiative 776 that eliminated some local transportation option taxes and reduced the gross weight fees on light trucks under 10,000 pounds to \$30.

The reduction of the gross weight fees affected the Motor Vehicle Account, the Washington State Patrol Highway Account, the Puget Sound Ferries Operation Account, and the Transportation 2003 Account. Combined, these accounts were reduced by \$42.8 million in the current biennium and approximately \$200 million over 10 years.

Addressing the ShortFall

Three strategies federal funds swap, fund transfers, and program reductions are used to eliminate the deficit in the Motor Vehicle Account and to provide additional funds for mandated or high priority activities.

Federal Funds Swap

- **\$18.6 million** - The Washington State Ferries received an additional \$18.6 million in federal funds. Using these additional funds in lieu of the originally budgeted state and bond appropriation allows for an equivalent amount of state funds to be freed up; covering a portion of the deficit in the Motor Vehicle Account. These funds are a loan, with 5 percent annual interest, and will be paid back to the ferry system in the 2005-07 biennium.

Fund Transfers

Transportation account balances were reviewed for any funds that could be transferred to the Motor Vehicle Account. The following balances are transferred to the Motor Vehicle Account:

- \$5.0 million - from the Transportation Equipment Fund;
- \$3.0 million - from the Advance Right of Way Account; and
- \$5.0 million - from the Highway Safety Account.

Program Reductions

The following are examples of program reductions included in the supplemental budget:

- **\$7.6 million** - Self-insurance premiums;
- **\$4.9 million** - RTID project estimate review;

- **\$1.9 million** - Unfilled positions;
- **\$1.4 million** - Congestion relief modeling;
- **\$1.2 million** - Pomeroy maintenance facility;
- **\$900,000** - RTID support;
- **\$450,000** - Second year funding for the Legislative Transportation Committee;
- **\$330,000** - Commerce corridor study; and
- **\$320,000** - Second year funding for the DOT freight office.

Budget Additions

High Priority Projects/Activities

The following are examples of high priority additions included in the supplemental budget:

- \$11.4 million for local freight mobility projects which includes projects at the Port of Pasco, Colville, Kent, Seattle, Spokane County and Granite Falls;
- \$3.0 million for capital improvements associated with Washington State Ferry passenger-only service. Following completion of these improvements, Southworth-Seattle passenger-only ferry service is intended to begin in the 2005-07 biennium;
- \$1.0 million for the Safe Routes for Schools Program;
- \$500,000 as a state match to federal funds for the flex car program;
- \$11.0 million from the Puyallup Tribal Settlement Account to mitigate effects on traffic currently being served by the Murray Morgan Bridge in Tacoma;
- \$1.2 million for the design of a SR 507 to SR 510 bypass in Yelm;
- \$1.0 million to the DOT for a drive better campaign;
- \$1.0 million for a SR 169 Corridor Study;
- \$948,000 in federal and state DUI cost reimbursements for 65 in-car video cameras and 60 replacement DataMaster breath test instruments;
- \$800,000 for a new freight rail spur in Lewis County;
- \$650,000 for phase two of the SR 164 corridor study;
- \$500,000 for a sensitive lands database for use in GIS systems;
- \$400,000 for a traffic and economic study of the Mount St. Helen's tourist and recreation area; and
- \$157,000 for Department of Licensing employee safety.

Mandatory Increases

The following are examples of mandatory increases included in the supplemental budget:

- \$3.3 million to pay for the refund checks to truck owners affected by I-776;
- \$906,000 for increase ferry insurance premiums;
- \$647,000 for increased fuel costs for the Washington State Ferries;
- \$319,000 for increased stormwater assessment fees;
- \$592,000 in federal funding for the New Entrants and Northern Border High Priority Programs administered by the Washington State Patrol;
- \$172,000 for fuel cost increases for Washington State Patrol vehicles; and
- \$470,000 for ignition interlock requirements and commercial license compliance with new federal regulations.

Proposed Changes to the New Revenue Project List

Included in the supplemental budget are a few project adjustments to reflect updated priorities based on new information. Changes include:

- Accelerating two projects that will help mitigate traffic impacts during the 2010 Olympics; the Everett/I-5 HOV lane and the SR 539/10 Mile Road to SR 546 projects;
- Modifying the Wenatchee Area projects by reducing the scope of the U.S. 2 Peshastin East safety project and funding two higher priority projects in the region; phase one of the SR 28/East end of the George Sellar Bridge and constructing a half diamond interchange at U.S. 2/East Wenatchee Cascade Avenue;
- Removing funding for the downtown Seattle I-5 EIS;
- Allowing \$3.5 million for design and land acquisition for the SR 522 UW/Bothell CC campus access project; and
- Accelerating preliminary engineering work on the Alaskan Way Viaduct, including the acceleration of \$28 million from the 2011-13 biennium to the 2005-07 biennium.

EFFECT OF SENATE AMENDMENT(S):

	<u>As Passed The House Floor</u>		
	Original 2003-05 Approps	HTC as Passed Floor	Revised 2003-05 Approps.
Bond Retirement and Interest	352,296	-7,553	344,743
Jt Leg Audit & Review Committee	0	1,200	1,200
Legislative Transportation Comm	2,374	-1,650	724
Special Approps to the Governor	0	3,300	3,300
Board of Pilotage Commissioners	272	6	278
Utilities and Transportation Comm	293	0	293
WA Traffic Safety Commission	20,820	-2	20,818
County Road Administration Board	94,184	7	94,191
Transportation Improvement Board	200,647	4	200,651
Marine Employees' Commission	352	10	362
Transportation Commission	807	6	813
Freight Mobility Strategic Invest	616	9	625
State Parks and Recreation Comm	972	0	972

Department of Agriculture	315	0	315
State Employee Compensation Adjust	-4,855	0	-4,855
Washington State Patrol	251,099	1,518	252,617
Department of Licensing	182,151	1,886	184,037
Department of Transportation	3,603,586	58,684	3,662,270
Statewide Total	4,705,929	57,425	4,763,354

As Amended and Passed by the Senate

	Original 2003-05 Approps	Passed Senate	Revised 2003-05 Approps.
Bond Retirement and Interest	352,296	-7,553	344,743
Legislative Transportation Comm	2,374	0	2,374
Special Approps to the Governor	0	3,300	3,300
Board of Pilotage Commissioners	272	72	344
Utilities and Transportation Comm	293	0	293
WA Traffic Safety Commission	20,820	0	20,820
County Road Administration Board	94,184	9	94,193
Transportation Improvement Board	200,647	23,004	223,651
Marine Employees' Commission	352	13	365
Transportation Commission	807	7	814
Freight Mobility Strategic Invest	616	9	625
State Parks and Recreation Comm	972	0	972
Department of Agriculture	315	0	315
State Employee Compensation Adjust	-4,855	0	-4,855
Washington State Patrol	251,099	3,976	255,075
Department of Licensing	182,151	7,206	189,357
Department of Transportation	3,603,586	86,619	3,690,205
Statewide Total	4,705,929	116,662	4,822,591

The Senate striking amendment is partially funded based on revenues created by ESSB 6710 and ESB 6063 which increase certain fees for Department of Licensing activities. A new freight mobility program is created in the Transportation Improvement Board guaranteeing future federal funds through ESSB 6701.

The Senate amendment includes ferry security within the striker as compared to the original House version, where ferry security was funded and appropriated from ESHB 3205. The Senate amendment retains the Legislative Transportation Committee (LTC), where the original House version moves the Transportation Performance Audit Board to the JLARC and discontinues LTC on June 30, 2004. Several policy and line item budget items within the Department of Transportation, the Department of Licensing and the Washington State Patrol were changed or modified within the Senate amendment.

Appropriation: \$4,763,354.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: (In support) Thank you for funding freight mobility projects. Freight mobility has a direct impact on Washington State's economy as we are the most trade dependent state in the U.S. The Freight Mobility Strategic Investment Board is important to identifying improvements that will benefit freight movement in Washington State.

Thanks for fixing the non-supplanting language in the special needs transit distribution. Some transit systems are in a period of declining revenues necessitating declining service which makes qualifying for these funds very difficult.

Thank you for accelerating the projects that will relieve traffic congestion associated with the 2010 Winter Olympics.

(In support with concerns) We have concerns about the funding provided for the Department of Licensing. There have been mandatory cost increases such as lease and Attorney General charges and the budget you have proposed doesn't cover these costs.

We are opposed to the transfer of funds from the ferry system. Please work for funding for alternative transportation activities like commute trip reduction.

Testimony Against: Paul Locke, Citizen.

Persons Testifying: (In support) Representative Murray, prime sponsor; Bill Ford and Paula Hammond, Department of Transportation; Pat Jones Washington Public Ports Association; Bill Stauffacher, Burlington Northern Santa Fe Rail; Doug Levy, Cities of Kent, Everett, and Federal Way; Jim Shipman, Washington State Transit; Bob Mack, Cities of Tacoma and Pasco; Tom Parker, Whatcom Council of Governments; and Jackie White, Association of Washington Cities.

(Pro with concerns) Fred Stephens Department of Licensing; and Kevin Shively, Transportation Choices Coalition.

Persons Signed In To Testify But Not Testifying: None.